



AMERICAN INFORMATION TECHNOLOGIES

EX PARTE OR LATE FILED

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June 10, 1993

Ms. Donna R. Searcy
Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

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JUN 10 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: CC Docket 92-77,
Ex Parte Statement

Dear Ms. Searcy:

On June 9, 1993, Ms. Lisa Tooley, Manager - Public/Operator Services Marketing, Mr. Daniel Fling, Director - Tariffs and Costs, Ameritech Services, Inc. and I met with Mr. Gary Phillips and Mr. Mark Nadel of the Policy and Program Planning Division. The attached material was used as a basis for the discussion.

Sincerely,

A handwritten signature in dark ink, appearing to read "Anthony M. Alessi".

Attachment

cc: Mr. Phillips
Mr. Nadel

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AMERITECH

BILLED PARTY PREFERENCE EX PARTE

CC DOCKET 92-77

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BPP Service Description - Ameritech View

Under BPP, 0+ and 0- interLATA calls will be directed to the billed party's preferred carrier.

- All service providers (BOCs, Independent Telcos, PPOs, CAPS, etc.)
- All originating station types (bus, res, coin, hotel, etc.)
- All 0+ and 0- interLATA calls
- All end offices (equal access and non-equal access)
- All alternate billing options (calling card, commercial credit card, collect, third number)

BPP Service Design - Carrier Identification

<u>Billing Method</u>	<u>Billing Number</u>	<u>Carrier</u>
Card	Line Number Industry Std (CIID/891) Comm'l Credit Card International (89X)	0+ PIC of Billed Number in LIDB Issuer DB or OSS Based* Issuer DB** Originating Line PIC*
Collect	Called Number (U.S.) Other NANP International	0+ PIC of Billed Number in LIDB Same as 89X Originating Line PIC
Third Number	Domestic Other NANP International	0+ PIC of Billed Number in LIDB Same as 89X Originating Line PIC

* For billing to non-U.S. card issuers or line numbers route to originating line PIC unless Issuer DB identifies a U.S.-based carrier chosen by the end user.

** Cardholder, not card issuer, should select the IXC for their calls. Otherwise, the call should be routed to the originating line PIC.

Other Service Design Topics

- LEC to IC OSS7 interface is required.
 - Avoids signaling delay
 - New data in signaling stream
 - Additional cost of MF signaling option degrades service
- Small joint IXC/LEC working group on service design. Greater industry participation desired.
- Commission order should be specific on service design to avoid deployment delay.
 - 36 months to implement after order
 - Assumes definitive outcome and industry cooperation

Other BPP Issues: 14-Digit Screening

14-digit screening is not necessary to meet consumer needs or to satisfy Commission concerns.

- No indication exists that consumers wish to use multiple IXC's for calling card service for the same billing number.
- Using different PINs to identify different IXC's is problematic:
 - Loading and maintenance of IXC-specific data in LEC LIDB
 - Problems with fraud detection and deterrence
 - IXC-specific expectations on fraud deterrence
 - Major increases in administration costs
 - Significant changes in query processing would be required
 - Data screening issues
- Line number-based cards would be in LEC LIDB, but card number could be "shared."
- 14-digit screening would require major service redesign and may increase costs to the point of eliminating BPP viability.

BPP Costs

No change in deployment cost from '92 filing.

Significant factors in unit cost development:

- **BPP Demand**
 - Knowledge of size of interLATA OS market
 - Affected by service design (e.g., pay phones only)
 - Affected by IC promotion of access code dialing in BPP environment
 - Higher demand lowers unit cost projections
- **Operator Labor**
 - Acceptance of automation by end user and ABS call mix drive labor component of Carrier ID
- **OSS7 at end offices.** Reflected only accelerated deployment, but BPP must contribute toward cost recovery.

Change to Ameritech Unit Cost Estimate

- Simple estimate based on total cost/interLATA demand.
- 92-77 Filing (July 7, 1992) - All originating station types, 0+ and 0- interLATA ABS calls

Levelized Annual Demand	278M
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Average Unit Cost	\$0.16
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- Adjusting demand to reflect originating traffic history in Ameritech

New Levelized Annual Demand	454M
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Average Unit Cost*	\$0.1005
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* Assuming price structure based on degree of operator involvement, average unit cost of fully automated call is \$0.0688.

BPP Costs Are Offset by a Number of Cost Savings

Ameritech Annual BPP Charges*:	\$45.7M
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Offsets:

LIDB Validation Charges	\$10.0M
Operator Transfer Charges (95%)	7.5M
Commission Payments**	21.0M
IC Operator Labor	??
IC Access Minutes of Use	??

* Estimated at \$.1005 per call times levelized annual demand.

** The Commission's final TOCSIA report estimated consumers paid \$700M in commissions and surcharges in 1991 on interstate calls. The preceding figure assumes 10% of the \$700M from its area. Only 30% reduction is based on the assumption that pay telephone providers will receive usage-based compensation for interLATA calls originated from their stations.

Will consumer benefits of BPP decline over time due to changes in consumer behavior or advances in technology?

- Consumers are resistant to change and prefer a simple dialing pattern.
- No longer a uniform dialing plan for alternately billed calls, if assurance of a minimum level of service and pricing reasonableness is expected.
- Use of alternative providers requires consumer knowledge and changes in dialing habits, e.g., 1-800-collect, 10ATT+0.
- While medium to heavy calling card users can be expected to adapt to access code dialing to ensure pricing fairness, such users represent a small percentage (5%) of cardholders.
- Proprietary cards will become the dominant option for card calling without BPP.
- Significant proportion of population are infrequent users of any alternate billing method. Many callers use collect and third-number billing.
- No advances in technology are expected to eliminate consumer need for alternate billing options.